

Poudre River Public Library District Presentation of Proposed 2017 Budget

The operating budget of the Poudre River Public Library District was drafted using the following requirements and assumptions –

- ✓ State required emergencies reserves would be maintained
- ✓ Board approved operating reserves would be maintained
- ✓ Board approved capital reserves would continue to be funded
- ✓ A portion of the unreserved fund balance will be reduced and used in future years

Revenue is budgeted to increase 3.2% in 2017 due to increases in property taxes from the primarily from new construction and higher levels of Specific Ownership Taxes. Revenue from these taxes is projected to increase \$310,200.

The only recommended staff addition for 2017 is an increase in 10 hours per week for Outreach Services. Currently there is one 10 hours/week position budgeted to assist the classified staff with story time activities throughout the District. This position would go to 20 hours/week to meet the requests for this service. A full time librarian position is being discontinued for 2017. This was a two-year intern position, added in the 2016 budget, intended to provide an opportunity for a recent graduate. The outside partial funding for this position did not occur and so the position is being removed from the listing of staff positions.

Expenditures are increasing 4.4% for 2017. Most expenditure line items have been held at their current levels. Of the items that are changing, the following are the more significant. Management is recommending a 3% increase in staff salaries and funds to implement the results of the compensation study conducted in 2016. As Phase I of implementing the new pay plan, the Board approved an increase in the wages of the hourly staff in 2016 along with raises for the classified staff that were under their minimum salary levels in the new plan. The budget request for 2017 takes care of the funding of Phase I for a full year and the implementation of Phase II. This phase will adjust the classified staff salaries to align their salaries to the appropriate position within the pay grade ranges based on their years of experience. Overall, with the impact of the compensation plan, the salaries for the classified staff are increasing 4.2%. The cost of Health premiums is increasing 9%.

Management has also drafted a budget assuming 2% changes in staff salaries rather than 3%. In that draft, overall expenditures would increase 3.9% and classified salaries would increase 3.5% when the compensation plan implementation is included.

The Collection Development budget is being increased to maintain the 12% of revenue budgeted for this activity. The cost of support services from the city of Fort Collins is increasing to reflect our share of their increasing costs. The janitorial cost is increasing due to a change in service provider. Last year, after a bid process, a new vendor was

selected which decreased the Library's cost. That vendor went out of business and the replacement contract came with a higher fee. There were some one-time items in the 2016 budget totaling \$52,500 which are being removed from the 2017 budget.

Amount budgeted for capital outlay is being budgeted at the same level as the 2016 budget. The Contingency Fund included in prior years' budgets has been removed. The budgeted amount has been reallocated to line items that will be over budget based on the current forecast of the 2016 budget.

The Capital Projects Fund will fund the needs of the Capital Replacement Plan in 2017. The timing of the security cameras and the elevator refurbishment, both at Old Town Library, will determine if these projects are 2016 or 2017 expenditures.

Poudre River Public Library District
Proposed General Fund Budget - 3% Salary Changes
For the year ending December 31, 2017

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Forecast</u>	<u>2017</u> <u>Budget</u>	<u>2018</u> <u>Estimate</u>
Revenue:				
Property Tax	\$ 8,359,500	\$ 8,359,500	\$ 8,619,700	\$ 9,309,300
Specific Ownership Tax	550,000	650,000	600,000	600,000
Copier Charges & Other	20,000	20,000	20,000	20,000
Extended Use Fees	180,000	180,000	180,000	180,000
Donations - Grants	91,500	91,500	80,000	80,000
Investment earnings	50,000	75,000	50,000	50,000
Intergovernmental	32,000	32,000	32,000	32,000
Total revenue	<u>9,283,000</u>	<u>9,408,000</u>	<u>9,581,700</u>	<u>10,271,300</u>
Expenditures:				
Administration	1,622,315	1,631,750	1,738,630	1,760,200
Systems Administration	648,455	648,450	664,425	691,900
Collection Services	747,580	746,900	784,135	816,600
Combined Operating Expenses	250,975	194,150	268,145	279,200
Answer Center	171,840	164,250	179,210	186,600
Outreach Services	313,165	312,850	344,220	358,500
Interlibrary Loan	179,080	173,000	180,900	188,400
Collection Development	1,140,220	1,180,250	1,177,470	1,226,200
Programming	102,200	107,200	102,200	106,400
Facilities	387,645	398,350	414,895	432,100
Old Town Operations	258,145	224,150	262,495	273,400
Old Town Public Service	836,970	756,550	822,955	857,000
Old Town Circulation	489,815	441,600	537,380	559,600
Harmony Operations	122,005	119,700	126,275	131,500
Harmony Public Service	606,785	555,500	639,570	666,000
Harmony Circulation	385,270	384,900	427,525	445,200
Council Tree Operations	258,930	256,100	270,375	281,600
Council Tree Public Service	335,315	327,800	339,985	354,100
Council Tree Circulation	449,065	409,100	475,510	495,200
Capital Outlay	50,000	28,000	50,000	50,000
Contingency	37,500	245,000	-	-
Total expenditures	<u>9,393,275</u>	<u>9,305,550</u>	<u>9,806,300</u>	<u>10,159,700</u>
Excess of revenue over Expenditures	(110,275)	102,450	(224,600)	111,600
Transfer to Capital Projects Fund	(250,000)	(250,000)	(250,000)	(250,000)
Excess of revenue over Expenditures and Transfers	(360,275)	(147,550)	(474,600)	(138,400)
Beginning Fund Balance	<u>5,788,825</u>	<u>6,027,585</u>	<u>5,880,035</u>	<u>5,405,435</u>
Ending Fund Balance	<u>\$ 5,428,550</u>	<u>\$ 5,880,035</u>	<u>\$ 5,405,435</u>	<u>\$ 5,267,035</u>
Allocation of Ending Fund Balance				
Emergency Reserve	\$ 283,500	\$ 283,500	\$ 287,450	\$ 304,700
Reserved for Funding Restrictions	661,450	661,450	188,475	-
Reserved for Donations	5,900	5,900	-	-
Designated for working capital/operations	1,856,600	1,856,600	1,916,300	2,054,300
Unreserved	2,621,100	3,072,585	3,013,210	2,908,035
Total	<u>\$ 5,428,550</u>	<u>\$ 5,880,035</u>	<u>\$ 5,405,435</u>	<u>\$ 5,267,035</u>

Poudre River Public Library District
Proposed General Fund Budget - 3% Salary Changes
Expenditures by Object
For the year ending December 31, 2017

Revenue:	
Property Tax	\$ 8,619,700
Specific Ownership Tax	600,000
Copier Charges	20,000
Fines	180,000
Donations	80,000
Interest earnings	50,000
Intergovernmental	32,000
Total Revenue	<u>9,581,700</u>

Expenditures:	<u>Personnel</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Total</u>
Administration	\$ 848,180	\$ 881,550	\$ 8,900	1,738,630
Systems Administration	469,225	176,200	19,000	664,425
Collection Services	643,135	69,000	72,000	784,135
Combined Operating Expenses	58,595	176,350	33,200	268,145
Answer Center	176,710	-	2,500	179,210
Outreach Services	323,520	9,750	10,950	344,220
Interlibrary Loan	128,250	52,150	500	180,900
Collection Development	-	165,000	1,012,470	1,177,470
Programming	3,500	48,400	50,300	102,200
Facilities	135,345	269,550	10,000	414,895
Old Town Operations	103,495	146,500	12,500	262,495
Old Town Public Service	814,805	5,150	3,000	822,955
Old Town Circulation	506,380	22,500	8,500	537,380
Harmony Operations	98,425	15,750	12,100	126,275
Harmony Public Service	637,820	1,250	500	639,570
Harmony Circulation	427,275	-	250	427,525
Council Tree Operations	103,825	158,450	8,100	270,375
Council Tree Public Service	339,235	250	500	339,985
Council Tree Circulation	475,260	-	250	475,510
Capital Outlay	-	-	50,000	50,000
Total Expenditures	<u>\$ 6,292,980</u>	<u>\$ 2,197,800</u>	<u>\$ 1,315,520</u>	<u>9,806,300</u>
Percent of total operating expenditures	64%	22%	13%	100%
Excess of revenue over Expenditures				(224,600)
Transfer to Capital Projects Fund				<u>(250,000)</u>
Change in Fund Balance				(474,600)
Beginning Fund Balance				<u>5,880,035</u>
Ending Fund Balance				<u>\$ 5,405,435</u>

Poudre River Public Library District
Summary of Proposed Budget Changes for 2017

Revenue Changes

1	Increase in property taxes	\$ 260,200
2	Increase in Specific Ownership taxes	50,000
3	Decrease in funding from the Poudre Library Trust	<u>(11,500)</u>
4	Change in revenue	<u>\$ 298,700</u>

Expenditure Changes

5	Classified staff salaries (3%)	\$ 122,490
6	Hourly staff wages (3%)	23,440
7	Implementation of Compensation Plan	107,125
8	Health-Dental premium increase (10%)	70,350
9	Collection Development to 12% of revenue	37,250
10	Increase in cost of support services from City of Fort Collins	25,500
11	Staff training	20,000
12	Increase in janitorial contract	18,500
13	Additional Outreach Services staff	11,225
14	Innovation funding	10,000
15	Facilities Master Plan consultant	20,000
16	Increase in County Treasurer fees	5,000
17	Removal of Children and Teen iPads/apps - 2016 item	(7,500)
18	Removal of technology improvements and data storage capacity - 2016 item	(15,000)
19	Remove intern librarian position	<u>(35,355)</u>
20	Change in expenditures	<u>\$ 413,025</u>

Poudre River Public Library District
Proposed General Fund Budget - 2% Salary Changes
For the year ending December 31, 2017

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Forecast</u>	<u>2017</u> <u>Budget</u>	<u>2018</u> <u>Estimate</u>
Revenue:				
Property Tax	\$ 8,359,500	\$ 8,359,500	\$ 8,619,700	\$ 9,309,300
Specific Ownership Tax	550,000	650,000	600,000	600,000
Copier Charges & Other	20,000	20,000	20,000	20,000
Fines	180,000	180,000	180,000	180,000
Donations - Grants	91,500	91,500	80,000	80,000
Investment earnings	50,000	75,000	50,000	50,000
Intergovernmental	32,000	32,000	32,000	32,000
Total revenue	<u>9,283,000</u>	<u>9,408,000</u>	<u>9,581,700</u>	<u>10,271,300</u>
Expenditures:				
Administration	1,622,315	1,631,750	1,731,500	1,802,800
Systems Administration	648,455	648,450	660,665	688,000
Collection Services	747,580	746,900	778,895	811,100
Combined Operating Expenses	250,975	194,150	268,145	279,200
Answer Center	171,840	164,250	177,710	185,100
Outreach Services	313,165	312,850	341,710	355,900
Interlibrary Loan	179,080	173,000	179,990	187,400
Collection Development	1,140,220	1,180,250	1,177,470	1,226,200
Programming	102,200	107,200	102,200	106,400
Facilities	387,645	398,350	413,855	431,000
Old Town Operations	258,145	224,150	261,615	272,400
Old Town Public Service	836,970	756,550	815,765	849,500
Old Town Circulation	489,815	441,600	533,330	555,400
Harmony Operations	122,005	119,700	125,515	130,700
Harmony Public Service	606,785	555,500	634,580	660,900
Harmony Circulation	385,270	384,900	426,205	443,800
Council Tree Operations	258,930	256,100	269,545	280,700
Council Tree Public Service	335,315	327,800	337,355	351,300
Council Tree Circulation	449,065	409,100	471,640	491,200
Capital Outlay	50,000	28,000	50,000	50,000
Contingency	37,500	245,000	-	-
Total expenditures	<u>9,393,275</u>	<u>9,305,550</u>	<u>9,757,690</u>	<u>10,159,000</u>
Excess of revenue over Expenditures	(110,275)	102,450	(175,990)	112,300
Transfer to Capital Projects Fund	(250,000)	(250,000)	(250,000)	(250,000)
Excess of revenue over Expenditures and Transfers	(360,275)	(147,550)	(425,990)	(137,700)
Beginning Fund Balance	<u>5,788,825</u>	<u>6,027,585</u>	<u>5,880,035</u>	<u>5,454,045</u>
Ending Fund Balance	<u>\$ 5,428,550</u>	<u>\$ 5,880,035</u>	<u>\$ 5,454,045</u>	<u>\$ 5,316,345</u>
Allocation of Ending Fund Balance				
Emergency Reserve	\$ 283,500	\$ 283,500	\$ 287,450	\$ 304,700
Reserved for Funding Restrictions	661,450	661,450	188,475	-
Reserved for Donations	5,900	5,900	-	-
Designated for working capital/operations	1,856,600	1,856,600	1,916,300	2,054,300
Unreserved	2,621,100	3,072,585	3,061,820	2,957,345
Total	<u>\$ 5,428,550</u>	<u>\$ 5,880,035</u>	<u>\$ 5,454,045</u>	<u>\$ 5,316,345</u>

Poudre River Public Library District
Proposed General Fund Budget- - 2% Salary Changes
Expenditures by Object
For the year ending December 31, 2017

Revenue:	
Property Tax	\$ 8,619,700
Specific Ownership Tax	600,000
Copier Charges	20,000
Fines	180,000
Donations	80,000
Interest earnings	50,000
Intergovernmental	32,000
Total Revenue	<u>9,581,700</u>

Expenditures:	<u>Personnel</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Total</u>
Administration	\$ 841,050	\$ 881,550	\$ 8,900	1,731,500
Systems Administration	465,465	176,200	19,000	660,665
Collection Services	637,895	69,000	72,000	778,895
Combined Operating Expenses	58,595	176,350	33,200	268,145
Answer Center	175,210	-	2,500	177,710
Outreach Services	321,010	9,750	10,950	341,710
Interlibrary Loan	127,340	52,150	500	179,990
Collection Development	-	165,000	1,012,470	1,177,470
Programming	3,500	48,400	50,300	102,200
Facilities	134,305	269,550	10,000	413,855
Old Town Operations	102,615	146,500	12,500	261,615
Old Town Public Service	807,615	5,150	3,000	815,765
Old Town Circulation	502,330	22,500	8,500	533,330
Harmony Operations	97,665	15,750	12,100	125,515
Harmony Public Service	632,830	1,250	500	634,580
Harmony Circulation	425,955	-	250	426,205
Council Tree Operations	102,995	158,450	8,100	269,545
Council Tree Public Service	336,605	250	500	337,355
Council Tree Circulation	471,390	-	250	471,640
Capital Outlay	-	-	50,000	50,000
Total Expenditures	<u>\$ 6,244,370</u>	<u>\$ 2,197,800</u>	<u>\$ 1,315,520</u>	<u>9,757,690</u>
Percent of total operating expenditures	64%	23%	13%	100%
Excess of revenue over Expenditures				(175,990)
Transfer to Capital Projects Fund				<u>(250,000)</u>
Change in Fund Balance				(425,990)
Beginning Fund Balance				<u>5,880,035</u>
Ending Fund Balance				<u>\$ 5,454,045</u>

Poudre River Public Library District
Summary of Proposed Budget Changes for 2017

Revenue Changes

1	Increase in property taxes	\$ 260,200
2	Increase in Specific Ownership taxes	50,000
3	Decrease in funding from the Poudre Library Trust	<u>(11,500)</u>
4	Change in revenue	<u>\$ 298,700</u>

Expenditure Changes

5	Classified staff salaries (2%)	\$ 81,670
6	Hourly staff wages (2%)	15,650
7	Implementation of Compensation Plan	107,125
8	Health-Dental premium increase (10%)	70,350
9	Collection Development to 12% of revenue	37,250
10	Increase in cost of support services from City of Fort Collins	25,500
11	Staff training	20,000
12	Increase in janitorial contract	18,500
13	Additional Outreach Services staff	11,225
14	Innovation funding	10,000
15	Increase in County Treasurer fees	5,000
16	Facilities Master Plan consultant	20,000
17	Removal of Children and Teen iPads/apps - 2016 item	(7,500)
18	Removal of technology improvements and data storage capacity - 2016 item	(15,000)
19	Remove intern librarian position	<u>(35,355)</u>
20	Change in expenditures	<u>\$ 364,415</u>

**Summary of Capital Projects Fund Activity
Through December 31, 2017**

	Paul Gwyn Bequest	Restricted for Design/Land	Capital	
			Replacement Plan	Unrestricted
Balance December 31, 2015	\$ 182,203	\$ 40,377	\$ 222,948	\$ 36,581
Estimated 2016 Revenue - Expenditures				
2016 General Fund Transfer	-	-	250,000	-
Replacement of computer equipment	-	-	(25,000)	-
Old Town Library Elevator refurbishment	-	-	(100,000)	-
Old Town Library Security Cameras	(40,000)	-	-	(40,000)
Balance December 31, 2016	142,203	40,377	347,948	36,581
2017 General Fund Transfer	-	-	250,000	-
2017 Capital Replacement fund budget	-	-	(125,000)	-
Balance December 31, 2017	\$ 142,203	\$ 40,377	\$ 472,948	\$ 36,581
				\$ 482,109